



**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

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First District

**Yvonne B. Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

April 6, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**VARIOUS MEDICAL AND RADIOLOGY REPORTS TRANSCRIPTION  
SERVICES AGREEMENT ACTIONS**  
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the Proposition A (Prop A) Radiology Reports Transcription Services Amendment No. 5 to Agreement No. 72049 (Exhibit I) with MedQuist Transcriptions, Ltd. (MedQuist) for services provided at LAC+USC Healthcare Network (LAC+USC) and Martin Luther King, Jr./Drew Medical Center (KDMC) to: 1) increase the services provided at LAC+USC by \$263,421, from \$1,263,000 to \$1,526,421, which will increase the total maximum obligation from \$1,852,341 to \$2,115,762, effective upon Board approval through June 30, 2006; 2) extend the Agreement term for an additional 12 months, effective July 1, 2006 through June 30, 2007 in the amount of \$1,450,356; and 3) delegate authority to the Acting Director of the Department of Health Services (DHS), or his designee, to extend the Agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$362,589, for a total cost of \$1,812,945.
2. Approve and instruct the Mayor to sign the Prop A Medical Transcription Services Amendment No. 10 to Agreement No. 70282 (Exhibit II) with MedQuist for services provided at Olive View/UCLA Medical Center (OVMC) and High Desert Health System (HDHS), to extend the Agreement term for an additional six months, effective upon Board approval through December 31, 2006, under the same rates and terms, in the amount of \$390,000.
3. Approve and instruct the Mayor to sign the Prop A Medical Transcription Services Amendment No. 6 to Agreement No. 71386 (Exhibit III), with MedQuist for services provided at KDMC to: 1) extend the Agreement term for an additional 12 months, effective July 1, 2006 through June 30, 2007 in the amount of \$213,504; and 2) delegate authority to the Acting Director of DHS, or his designee, to extend the Agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$53,376, for a total cost of \$266,880.

**Bruce A. Chernof, MD**  
Acting Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

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4. Approve and instruct the Mayor to sign Prop A Medical Transcription Services Amendment No. 4 to Agreement No. 72144 (Exhibit IV) for services at Rancho Los Amigos National Rehabilitation Center (Rancho) with PeopleSupport RapidText, Inc. (PSRT), formerly known as RapidText, to: 1) consent to the acquisition of RapidText, Inc. by PeopleSupport, Inc., retroactive to January 2006; 2) extend the Agreement term for an additional 12 months, effective July 1, 2006 through June 30, 2007 in the amount of \$182,004; and 3) delegate authority to the Acting Director of DHS, or his designee, to extend the Agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$45,501, for a total cost of \$227,505.
5. Delegate authority to the Acting Director of DHS, or his designee, to execute Amendment No. 6 to Overflow Medical Transcription Service Agreement No. H-209835 (substantially similar to Exhibit V) for services at LAC+USC with PeopleSupport RapidText, Inc., formerly known as RapidText, to: 1) consent to the acquisition of RapidText, Inc. by PeopleSupport, retroactive to January 2006; and 2) extend the Agreement term for an additional 14 months, effective May 1, 2006 through June 30, 2007 in the amount of \$2,324,210, with the option to extend on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$498,045, for a total cost of \$2,822,255.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

LAC+USC has had an increased usage of radiology transcription report services particularly in the areas of computed tomography and ultrasound procedures resulting in an increased need for medical transcription services. Therefore, the recommended increase to the maximum obligation to Agreement No. 72049 is needed to ensure that vital radiology transcription services remain in place and continue uninterrupted through June 30, 2006. At this time, LAC+USC has not exceeded its current maximum obligation of \$1,263,000.

The Overflow Medical Transcription Services Agreement No. H-209835 for medical transcription services at LAC+USC expires on April 30, 2006. This Agreement and Agreement No. 72144 for medical transcription services at Rancho require Board approval of the January 2006 acquisition of MedText, Inc. by PSRT, as stipulated under the current contract provisions.

The Department of Health Services (DHS or Department) is currently developing a resolicitation of the services for all DHS facilities. While the Department had previously indicated to the Board that a Proposition A solicitation would be released, the release has been delayed because the Health Information Management (HIM) Directors are strongly recommending that the Department include Voice Recognition (VR) technology, a real-time speech recognition system for transcription services, in the solicitation. VR provides better quality, increased productivity and enhanced timeliness. Technology within this industry continues to improve and additional time is needed for research and development of statements of work for each facility to include in the Request for Proposals (RFP). Board approval to extend the term of the existing Agreements will ensure that delivery of vital medical transcription, radiology reports, and overflow medical transcription services continue uninterrupted at DHS medical facilities while the RFP is revised to include VR technology.

The new LAC+USC facility is anticipated to open in November 2007 and the Department is recommending the extension of the current transcription Agreements to complete the RFP, select new vendor(s), and allow time for new contracted services to become operational prior to the opening of the facility.

FISCAL IMPACT/FINANCING:

Amendment No. 5 to Agreement No. 72049 for radiology transcription services at LAC+USC and KDMC will: 1) increase the Fiscal Year (FY) 2005-06 contract cost for services provided at LAC+USC, effective upon Board approval through June 30, 2006, by \$263,421, from \$1,263,000 to \$1,526,421, thereby increasing the total maximum obligation from \$1,852,341 to \$2,115,762 (consisting of \$1,526,421 for services provided LAC+USC and \$589,341 for services provided at KDMC); and 2) provide for a total estimated expenditure of \$1,812,945, of which \$1,450,356 (consisting of \$1,080,936 for LAC+USC and \$369,420 for KDMC) is for the period of July 1, 2006 through June 30, 2007 and \$362,589 (consisting of \$270,234 for LAC+USC and \$92,355 is for KDMC) is for the month-to-month extension through September 30, 2007.

The total estimated expenditure for Amendment No. 10 to Agreement No. 70282 for medical transcription services at OVMC and HDHS for the period of July 1, 2006 through December 31, 2006 is \$390,000 (consisting of \$360,000 for OVMC and \$30,000 for HDHS).

The total estimated expenditure for Amendment No. 6 to Agreement No. 71386 for medical transcription services at KDMC is \$266,880, of which \$213,504 is for the period of July 1, 2006 through June 30, 2007 and \$53,376 is for the month-to-month extension through September 30, 2007.

The total estimated expenditure for Amendment No. 4 to Agreement No. 72144 for medical transcription services at Rancho is \$227,505, of which \$182,004 is for the period of July 1, 2006 through June 30, 2007, and \$45,501 is for the month-to-month extension through September 30, 2007.

The total estimated expenditure for Amendment No. 6 to Agreement No. H-209835 for overflow medical transcription services at LAC+USC is \$2,822,255, of which \$2,324,210 is for the period of May 1, 2006 through June 30, 2007, and \$498,045 is for the month-to-month extension through September 30, 2007, an increase of \$2,372,255 from the previous amendment which was for nine months.

Funding is included in the FY 2005-06 Final Budget and will be requested in the DHS FY 2006-07 Final Changes request and will be requested in future fiscal years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

**Agreement No. 72049 - LAC+USC and KDMC (Radiology Reports)**

On March 2, 1999, the Board approved an Agreement with Lanier Professional Services, Inc. for the provision of radiology reports transcription services for LAC+USC and KDMC, effective February 1, 1999 through December 31, 2003.

On September 21, 1999, the County approved a delegation and assignment of rights from Lanier Professional Services, Inc. to MedQuist Transcription, Ltd. Subsequently, the Board approved Amendment Nos. 1 through 4 that increased the allocation, updated contract language, added the Health Insurance Portability and Accountability Act of 1996 (HIPAA) provision, and extended the term through June 30, 2006. At this time KDMC does not need additional services.

**Agreement No. 70282 - OVMC and HDHS (Medical Transcription)**

On August 20, 1996, the Board approved an Agreement with MedQuist for the provision of medical transcription services for HDHS and OVMC, effective September 1, 1996 through August 31, 2000. Under delegated authority, the term was extended for an additional six months through February 28, 2001. Subsequently, the Board approved Amendment Nos. 1 through 9, that increased the allocation, updated contract language, added HIPAA, and extended the term through June 30, 2006.

On December 14, 2005, under Amendment No. 8, the Board approved a temporary change in the billing and payment structure from a transcribed line rate to a report rate, which was to remain in effect until a conversion date to MedQuist's new billing platform, DocQment Enterprise Platform™ (DEP), was established. The conversion for services provided at OVMC took place on February 16, 2006, and the billing and payment methodology reverted back to the rate per transcribed line. The Department anticipates the conversion for HDHS from a report rate to a transcribed line rate to follow shortly. At this time, HDHS does not need additional services.

**Agreement No. 71386 - KDMC (Medical Transcription)**

On May 5, 1998, the Board approved an Agreement with MedQuist, for the provision of medical transcription services effective June 1, 1998 through May 31, 2002. Subsequently, the Board approved Amendment Nos. 1 through 4 that increased the allocation, updated contract language, added HIPAA, and extended the term through June 30, 2006.

**Consent of Ownership and Stock Purchase Transaction Amendments - LAC+USC and Rancho:**

On January 11, 2006, RapidText, Inc. (the parent corporation of MedText, Inc.) notified the County of a merger that had taken place on January 9, 2006 between RapidText, Inc. (private corporation) and PeopleSupport, Inc. (public corporation).

Provisions found in the current Agreements (Nos. H-209835 and 72144) require the County's consent for a change in ownership and transfer of stock. PeopleSupport, Inc. acquired RapidText by virtue of a stock purchase buy out. PeopleSupport now has the majority and controlling interest. As a result of the stock purchase, RapidText has changed its name to PeopleSupport RapidText, Inc. The Department has assessed the new company in compliance with Board policy.

**Agreement No. 72144 - Rancho (Medical Transcription Services)**

On June 8, 1999, the Board approved Agreement No. 72144 with Medtext, Inc. for the provision of medical transcription services for Rancho, effective July 1, 1999 through June 30, 2003.

On June 25, 2003, the Director of DHS extended the Agreement term by written consent of both parties for six additional months effective through December 31, 2003. Subsequently, the Board approved Amendment Nos. 1 through 3 that increased the maximum obligation and extended the term through June 30, 2006.

**Agreement No. H-209835 - LAC+USC (Overflow Medical Transcription Services)**

On August 4, 1998, the Board approved an Agreement with MedText, Inc. for the provision of overflow medical transcription services at LAC+USC, effective August 1, 1998 through July 31, 2002.

The Agreement also authorized the Director to enter into a six-month term extension and this option was utilized to extend the Agreement through January 31, 2003. Subsequently, the Board approved Amendment Nos. 1 through 5 that increased the maximum obligation, allowed for an increase of \$0.01 in the rate per transcribed line, updated contract provision language, added HIPAA, and extended the term through April 30, 2006.

In addition, on July 19, 2005, the Board was informed that after a review of a work measurement analysis, the Department determined that it is appropriate to treat future overflow medical transcription services agreement actions at LAC+USC as a Prop A Agreement. These services will be included in the upcoming solicitation process for Prop A transcription services.

The recommended Amendment reflects increased expenditures as a result of an increase in workload and electronic imaging of medical records at LAC+USC facilities. The increase results from a necessity to convert current hard-copy records of patient histories, physicals and discharge summaries into an electronic format in preparation for the LAC+USC Replacement Facility's electronic medical records solution.

The recommended Amendments will: 1) augment the FY 2005-06 allocation for Agreement No 72049 to accommodate the increased usage levels at LAC+USC; 2) consent to a change in ownership and stock purchase transaction for Agreement Nos. 72144 and H-209835; 3) extend Agreement No. 70282 for services provided at OVMC and HDHS through December 31, 2006; and 4) extend the remaining Agreements through June 30, 2007, with the option to extend on a month-to-month basis through September 30, 2007; and 5) include the latest Board-mandated contract language.

The Department is currently working on an RFP for transcription services for seven County medical facilities. Progress on the RFP has been delayed because of the need to upgrade service levels to coincide with the current technology and standardize the performance specifications for medical and radiology reports transcription services.

These Agreements can be terminated by the County with 30 to 60 days written notice to Contractor depending on the Agreement.

County Counsel has approved Exhibits I through V as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise Amendments and change of ownership actions on the Los Angeles County Online Website.

In prior Board actions, the Department has indicated that an RFP process would be completed. Although the Department was preparing to release the RFP with the current description of services in March 2006, the HIM Directors, physicians and other medical staff strongly recommended that the Department solicit transcription services that include VR and which meet the most current technological industry standards available. This recommendation will require the Department to revise the RFP statement of work for each facility. The Department expects to complete the RFP selection and contracting process before the expiration of the extension period.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval of the recommended actions will ensure that vital transcription services remain in place and continue uninterrupted at DHS medical facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Acting Director of Health Services

BAC:lvb  
BLTR6\_MQuist\_lvb.wpd

Attachments (6)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**SUMMARY OF AMENDMENTS AND CONSENT OF OWNERSHIP CHANGE**

**MEDQUIST TRANSCRIPTIONS, INC - AMENDMENTS**

1. **TYPE OF SERVICES:**

Medical transcription services at Olive View/UCLA Medical Center (OVMC), High Desert Health Services (HDHS), and Martin Luther King, Jr./Drew Medical Center (KDMC) and radiology reports transcription services at Los Angeles County+USC Healthcare Network (LAC+USC) and KDMC.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

MedQuist Transcriptions, Ltd. (MedQuist)  
1000 Bishops Gate Blvd., Ste. 300  
Mount Laurel, NJ 08054-4632  
Attn: Frank Lavelle, President  
Telephone: (800) 233-3030

3. **TERMS:**

Agreement No. 72049:	January 1, 2005 through June 30, 2007.
Agreement No. 70282:	January 1, 2005 through June 30, 2007.
Agreement No. 71386:	January 1, 2005 through June 30, 2007.

**ACQUISITION OF RAPIDTEXT**

1. **TYPE OF SERVICES:**

Overflow medical transcription services at LAC+USC and medical transcription services at Rancho Los Amigos National Rehabilitation Center (Rancho).

2. **TRANSFER OF OWNERSHIP FOR AGREEMENT NOS. 72144 AND H-209835:**

<b><u>From:</u></b>	<b><u>To:</u></b>
MedText, Inc., dba RapidText	PeopleSupport RapidText, Inc.
1801 Dove Street	1801 Dove Street
Newport Beach, California 92660	Newport Beach, California 92660
Attn: Jerry Woods, President	Attn: Jerry Woods, Senior Vice President and
Telephone: (949) 399-9200	General Manager
	Telephone: (949) 399-9200

3. **TERMS:**

Agreement No. 72144:	July 1, 1999 through June 30, 2007.
Agreement No. H-209835:	August 1, 1998 through June 30, 2007.

4. FINANCIAL INFORMATION:

<u>Term</u>	<u>Agreement No.</u>	<u>Contractor</u>	<u>Service Site</u>	<u>Total Cost</u>
01/01/05-06/30/06	72049	MedQuist	LAC+USC	\$1,526,421
			KDMC	\$ 589,341
			Total	\$2,115,762
07/01/06-09/30/07	72049	MedQuist	LAC+USC	\$1,351,170
			KDMC	\$ 461,775
			Total	\$1,812,945
07/01/06-12/30/06	70282	MedQuist	HDHS	\$ 30,000
			OVMC	\$ 360,000
			Total	\$ 390,000
07/01/06-09/30/07	71386	MedQuist	KDMC	\$ 266,880
07/01/06-09/30/07	72144	PSRT	Rancho	\$ 227,505
05/01/06-09/30/07	H-209835	PSRT	LAC+USC (Overflow)	\$2,822,255

5. GEOGRAPHIC AREAS SERVED:

All Districts.

6. PERSONS ACCOUNTABLE FOR PROGRAM MONITORING:

Facility staff.

7. APPROVALS:

KDMC:	Antionette Smith Epps, CEO
HDHS:	Beryl Brooks, CEO
LAC+USC:	Pete Delgado, CEO
OVMC:	Melinda Anderson, CEO
Rancho:	Valerie Orange, CEO
Contracts & Grants:	Cara O'Neill, Chief
County Counsel:	Christina A. Salseda, Deputy County Counsel



EXHIBIT I

Contract No. 72049-5

RADIOLOGY REPORTS TRANSCRIPTION SERVICES AGREEMENT

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2006,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"RADIOLOGY REPORTS TRANSCRIPTION SERVICES AGREEMENT", dated  
March 2, 1999, and further identified as County Agreement  
No. 72049 and any Amendments thereto (all hereafter referred to  
as "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the  
Agreement to increase the Fiscal Year 2005-06 allocation for  
services provided at LAC+USC Healthcare Network (LAC+USC), extend  
the term for twelve (12) months through  
June 30, 2007, and make the changes described hereinafter.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective upon approval by the County of Los Angeles Board of Supervisors.

2. This Amendment increases the allocation for services provided at LAC+USC, effective upon approval by the County of Los Angeles Board of Supervisors through June 30, 2006.

3. This Amendment extends the term of the Agreement for twelve (12) months, beginning July 1, 2006 through June 30, 2007, under the same rate and provisions as set forth in the Agreement. The term of this Agreement may be extended by the Director of the Department of Health Services beyond the stated expiration date of June 30, 2007, on a month-to-month basis not to exceed three (3) months, through September 30, 2007, upon the written mutual agreement of the Director and Contractor. All provisions of the Agreement in effect on June 30, 2007, shall remain in effect for the extension period. Contractor shall be compensated according to the same payment provisions and same rate(s) specified for the initial term of the Agreement. If Director and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of June 30, 2007, the Agreement shall expire on such date.

4. Schedule 1.A, LAC+USC MEDICAL CENTER PAYMENT SCHEDULE (January 1, 2005 through June 30, 2007), and Schedule 2.A, KING/DREW MEDICAL CENTER PAYMENT SCHEDULE (January 1, 2005

through June 30, 2007, shall both be added to Exhibit C, BILLING AND PAYMENT, of the Agreement and are attached hereto and incorporated herein by reference.

5. Paragraph 68, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to the Agreement as follows:

"68. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts.

Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

6. Paragraph 69, CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE, shall be added to the Agreement as follows:

"69. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the attached "Charitable Contributions Certification" form (Attachment D), the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach

subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202)."

7. Paragraph 34, DELEGATION AND ASSIGNMENT, of the Agreement shall be replaced in its entirety with:

"34. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of

Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

8. Paragraph 64, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Agreement shall be deleted and replaced in its entirety with the following:

"64. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or

omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment.



Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following:

- (1) elimination of the grounds for which the debarment was imposed;
- (2) a bona fide change in ownership or management;
- (3) material evidence discovered after

debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of

Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors."

9. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Mayor and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

Executive Officer of  
the Board of  
Supervisors of the County  
of Los Angeles

MEDQUIST TRANSCRIPTIONS, LTD.  
Contractor

By *Kathleen Donovan*  
Signature

Kathleen Donovan  
Print Name

By \_\_\_\_\_  
Deputy

Title SVP & CFO  
(Affix Corporate Seal)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

72049-5 LACUSC\_LVB  
04/06/06

LAC+USC HEALTHCARE NETWORK  
 PAYMENT SCHEDULE  
 (January 1, 2005 through June 30, 2007)

Subject to the payment provisions of the body of this Agreement, County shall compensate Contractor hereunder as follows:

A. Transcribed Line Costs

Contractor shall bill County at the following fees per transcribed line for the following contract years (or portion thereof):

<u>Contract Year</u>	<u>Rate per line</u>
Year 7: January 1, 2005-December 12, 2005	\$0.2138
December 13, 2005-December 31, 2005	\$0.1983*
Year 8: January 1, 2006-June 30, 2006	\$0.1983
July 1, 2006-December 31, 2006	\$0.1983
Year 9: January 1, 2007-June 30, 2007	\$0.1983

\* Maximum allowable rate based on cost-of-living adjustment provision under Exhibit C, Billing and Payment.

B. Total 18 month, January 1, 2005 through June 30, 2006, contract cost is \$1,526,421.

Total 12 month, July 1, 2006 through June 30, 2007, contract cost is \$1,080,936.

C. Contractor shall submit to County on a monthly basis an itemized bill, indicating the total number of lines transcribed during the month preceding the month in which the billing is submitted. The corresponding contract number should be stated on the bill. Billings shall be submitted to the Medical Center as follows:

County of Los Angeles/Department of Health Services  
 LAC+USC Healthcare Network  
 1200 North State Street  
 Los Angeles, California 90033  
 Attention: Expenditure Management

D. Effective December 13, 2005, a transcribed line shall constitute a six and a half (6½) inch Standard Gross Line, which is defined as any line with visible characters, excluding header and footer information. The header and footer are defined as pre-formatted text that is a part of the DocQment Enterprise Platform™ ("DEP") report template and patient demographic information that is contained within the DEP Admission, Discharge, Transfer entry screen. The Standard Gross Line will be counted using U.S. letter size paper (8½" x 11"), one (1) inch margins on the left, right, top and bottom of the document, and a Courier New twelve (12) point font (equivalent to ten (10) pitch / characters per inch). County can utilize this unit of measure even if the final format of the document is based on different margins or font setting. The DEP will simply convert the document to the above standard for billing purposes.

KING/DREW MEDICAL CENTER  
PAYMENT SCHEDULE  
(January 1, 2005 through June 30, 2007)

Subject to the payment provisions of the body of this Agreement, County shall compensate Contractor hereunder as follows:

A. Transcribed Line Costs

Contractor shall bill County at the following fees per transcribed line for the following contract years (or portion thereof):

<u>Contract Year</u>	<u>Rate per line</u>
Year 7: January 1, 2005-September 15, 2005	\$0.2138
September 16, 2005-December 31, 2005	\$0.1983*
Year 8: January 1, 2006-June 30, 2006	\$0.1983
July 1, 2006-December 31, 2006	\$0.1983
Year 9: January 1, 2007-June 30, 2007	\$0.1983

\* Maximum allowable rate based on cost-of-living adjustment provision under Exhibit C, Billing and Payment.

B. Total 18 month, January 1, 2005 through June 30, 2006, contract cost is \$589,341.

Total 12 month, July 1, 2006 through June 30, 2007, contract cost is \$369,420.

C. Contractor shall submit to County on a monthly basis an itemized bill, indicating the total number of lines transcribed during the month preceding the month in which the billing is submitted. The corresponding contract number should be stated on the bill. Billings shall be submitted to the Medical Center as follows:

County of Los Angeles/Department of Health Services  
LAC+USC Healthcare Network  
1200 North State Street  
Los Angeles, California 90033  
Attention: Expenditure Management

D. Effective September 16, 2005, a transcribed line shall constitute a six and a half (6½) inch Standard Gross Line, which is defined as any line with visible characters, excluding header and footer information. The header and footer are defined as pre-formatted text that is a part of the DocQment Enterprise Platform™ ("DEP") report template and patient demographic information that is contained within the DEP Admission, Discharge, Transfer entry screen. The Standard Gross Line will be counted using U.S. letter size paper (8½" x 11"), one (1) inch margins on the left, right, top and bottom of the document, and a Courier New twelve (12) point font (equivalent to ten (10) pitch / characters per inch). County can utilize this unit of measure even if the final format of the document is based on different margins or font setting. The DEP will simply convert the document to the above standard for billing purposes.

**CHARITABLE CONTRIBUTIONS CERTIFICATION**

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Company Name

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Address

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Internal Revenue Service Employer Identification Number

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California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

<b>CERTIFICATION</b>	<b>YES</b>	<b>NO</b>
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Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )
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OR

Proposer or Contractor is registered with the California Registry of Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code Sections 12585-12586.	( )	( ) Charitable
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Signature

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Date

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Name and Title (please type or print)

EXHIBIT II

Contract No. 70282-10

MEDICAL TRANSCRIPTION SERVICES AGREEMENT

AMENDMENT NO. 10

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2006,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"MEDICAL TRANSCRIPTION SERVICES AGREEMENT", dated August 20,  
1996, and further identified as County Agreement No. 70282 and  
any Amendments thereto (all hereafter referred to as  
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the  
Agreement to extend the term for medical transcription services  
scheduled to expire on June 30, 2006, for six (6) months through  
December 31, 2006, and make the changes described hereinafter.



NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective upon approval by the County of Los Angeles Board of Supervisors.

2. This Amendment extends the term of the Agreement for six (6) months, beginning July 1, 2006 through December 31, 2006.

3. Paragraph F, DocQsign Application, shall be added to Exhibit C-3 (BILLING AND PAYMENT, January 1, 2005 through June 30, 2006) of the Agreement as follows:

"F. DocQsign Application: DHS' OVMC shall utilize DocQsign, the DocQment Enterprise Platform's electronic signature application, at the one time charges set forth below:

Implementation and Training (3 days)	\$2,000
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Additional Training (1 day)	\$1,500
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No additional DocQsign transactional charges or user fees shall apply."

4. Paragraph 63, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to the Agreement as follows:

"63. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76):

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or

excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

5. Paragraph 64, CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE, shall be added to the Agreement as follows:

"64. CONTRACTOR'S CHARITABLE ACTIVITIES

COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities

receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the attached "Charitable Contributions Certification" form (Attachment F), the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202)."

6. Paragraph 29, PROHIBITION AGAINST DELEGATION AND ASSIGNMENT, of the Agreement shall be replaced in its entirety with:

"29. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by

the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the

termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

7. Paragraph 60, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Agreement shall be deleted and replaced in its entirety with the following:

"60. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and

terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit

evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following:

(1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed



decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors."

8. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Mayor and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

Executive Officer of  
the Board of  
Supervisors of the County  
of Los Angeles

MEDQUIST TRANSCRIPTIONS, LTD.  
Contractor

By   
Signature

Kathleen Donovan

Print Name

By \_\_\_\_\_  
Deputy

Title SVP & CFO  
(Affix Corporate Seal)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

70282-10 OVMC\_LVB  
04/06/06

**CHARITABLE CONTRIBUTIONS CERTIFICATION**

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Company Name

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Address

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Internal Revenue Service Employer Identification Number

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California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

<b>CERTIFICATION</b>	<b>YES</b>	<b>NO</b>
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Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )
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OR

Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code Sections 12585-12586.	( )	( )
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Signature

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Date

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Name and Title (please type or print)

Effective 09/06/05

MEDICAL TRANSCRIPTION SERVICES AGREEMENT

AMENDMENT NO. 6

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2006,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"MEDICAL TRANSCRIPTION SERVICES AGREEMENT", dated May 5, 1998,  
and further identified as County Agreement No. 71386 and any  
Amendments thereto (all hereafter referred to as "Agreement");  
and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the  
Agreement to extend the term for medical transcription services  
scheduled to expire on June 30, 2006, for twelve (12) months  
through June 30, 2007, and make the changes described  
hereinafter.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective on July 1, 2006.

2. This Amendment extends the term of the Agreement for twelve (12) months, beginning July 1, 2006 through June 30, 2007, under the same rate and provisions as set forth in the Agreement. The term of this Agreement may be extended by the Director of the Department of Health Services beyond the stated expiration date of June 30, 2007, on a month-to-month basis not to exceed three (3) months, through September 30, 2007, upon the written mutual agreement of the Director and Contractor. All provisions of the Agreement in effect on June 30, 2007, shall remain in effect for the extension period. Contractor shall be compensated according to the same payment provisions and same rate(s) specified for the initial term of the Agreement. If Director and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of June 30, 2007, the Agreement shall expire on such date.

3. Paragraph 66, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to the Agreement as follows:

"66. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76):

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred,

ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

4. Paragraph 67, CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE, shall be added to the Agreement as follows:

"67. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The

"Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the attached "Charitable Contributions Certification" form (Attachment B), the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202)."

5. Paragraph 29, DELEGATION AND ASSIGNMENT, of the Agreement shall be replaced in its entirety with:

"29. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this

Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the



same remedies against Contractor as it could pursue in the event of default by Contractor."

6. Paragraph 59, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Agreement, shall be deleted and replaced in its entirety with the following:

"59. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative

proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or

management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the

right to modify, deny, or adopt the proposed decision  
and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any  
subcontractors of County Contractors."

7. Except for the changes set forth hereinabove, Agreement  
shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County  
of Los Angeles has caused this Amendment to be subscribed by its

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Mayor and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

Executive Officer of  
the Board of  
Supervisors of the County  
of Los Angeles

MEDOUIST TRANSCRIPTIONS, LTD.  
Contractor

By   
Signature

Kathleen Donovan

Print Name

By \_\_\_\_\_  
Deputy

Title SVP & CFO  
(Affix Corporate Seal)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

71386-6 MLK\_LVB  
04/06/06

**CHARITABLE CONTRIBUTIONS CERTIFICATION**

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Company Name

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Address

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Internal Revenue Service Employer Identification Number

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California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

<b>CERTIFICATION</b>	<b>YES</b>	<b>NO</b>
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Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )
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OR

Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code Sections 12585-12586.	( )	( )
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Signature

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Date

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Name and Title (please type or print)

Effective 09/06/05

effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

7. Paragraph 63, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Agreement, shall be deleted and replaced in its entirety with the following:

"63. CONTRACTOR RESPONSIBILITY AND DEBARMENT:



A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or

omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment.

Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following:

- (1) elimination of the grounds for which the debarment was imposed;
- (2) a bona fide change in ownership or management;
- (3) material evidence discovered after

debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of

Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors."

8. Paragraph 67, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to the Agreement as follows:

"67. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any

subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

9. Paragraph 68, CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE, shall be added to the Agreement as follows:

"68. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the attached "Charitable Contributions Certification" form (Attachment F), the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its

obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202)."

10. Paragraph 69, CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, shall be added to the Agreement as follows:

"69. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in

order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

#### DEFINITIONS

1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.

1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103.

Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with



information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.4 "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 "Protected Health Information" has the same meaning as the term "protected health information" in 45

C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (I) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

- 1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector

general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.7 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.8 "Services" has the same meaning as in the body of this Agreement.

1.9 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of

such Information within Business Associate's internal operations.

- 1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

#### OBLIGATIONS OF BUSINESS ASSOCIATE

- 2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
- (b) shall Disclose Protected Health Information to Covered Entity upon request;
- (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:
  - (I) Use Protected Health Information; and
  - (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information.

Business Associate:

- (a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and

Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security

Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number (800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer  
Kenneth Hahn Hall of Administration  
500 West Temple ST.  
Suite 525  
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected

Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

*[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities: However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform the Services because*



such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; © a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

#### **OBLIGATION OF COVERED ENTITY**

- 3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

#### TERM AND TERMINATION

- 4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.
- 4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

- (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business

Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

#### MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement

obligating the agent or subcontractor to comply with all the terms of this Paragraph.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control.

Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations."

11. Paragraph 70, PROHIBITION AGAINST INTERNATIONAL OUTSOURCING, shall be added to the Agreement as follows:

"70. PROHIBITION AGAINST INTERNATIONAL OUTSOURCING:  
Contractor may not utilize the services of any transcriber

or transcribing service who performs the service in a location other than the United States of America.

Outsourcing any services required under the terms of this Agreement to individuals or entities outside of the United States is strictly prohibited."

12. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this CONSENT TO CHANGE OF OWNERSHIP AND STOCK PURCHASE TRANSACTION.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this CONSENT TO CHANGE OF OWNERSHIP AND

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STOCK PURCHASE TRANSACTION to be subscribed by its Mayor and  
PeopleSupport RapidText, Inc. have caused this CONSENT TO CHANGE OF  
OWNERSHIP AND STOCK PURCHASE TRANSACTION to be subscribed in their  
behalf by their duly authorized officers, the day, month, and year  
first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

Executive Officer of  
the Board of  
Supervisors of the County  
of Los Angeles

PEOPLESUPPORT RAPIDTEXT, INC.  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

By \_\_\_\_\_  
Deputy

Title \_\_\_\_\_  
(Affix Corporate Seal)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

PEOPLESUPPORT, INC.

By \_\_\_\_\_  
Signature

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
Department of Health Services

\_\_\_\_\_  
Print Name

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants

Title \_\_\_\_\_  
(Affix Corporate Seal)

## CHARITABLE CONTRIBUTIONS CERTIFICATION

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 Company Name

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 Address

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 Internal Revenue Service Employer Identification Number

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 California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

	CERTIFICATION	YES	NO
Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )	( )

OR

Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code Sections 12585-12586.	( )	( )	( )
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 Signature

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 Date

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 Name and Title (please type or print)

Effective 09/06/05



OVERFLOW MEDICAL TRANSCRIPTION SERVICES AGREEMENT

AMENDMENT NO. 6

CONSENT TO CHANGE OF OWNERSHIP AND STOCK PURCHASE TRANSACTION

THIS CONSENT TO CHANGE OF OWNERSHIP AND STOCK PURCHASE  
TRANSACTION is made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2006,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

PEOPLESUPPORT RAPIDTEXT, INC.  
(formerly known as MEDTEXT  
INC., DBA RAPIDTEXT)  
(hereafter "Contractor")

WHEREAS, on August 4, 1998, County and MedText, Inc.  
("MedText"), dba RapidText, Inc. ("RapidText") entered into a  
MEDICAL TRANSCRIPTION SERVICES AGREEMENT for the provision of  
medical transcription services, further identified as County  
Agreement No. H-209835 and any Amendments thereto (all hereafter  
referred to as "Agreement"); and

WHEREAS, RapidText, parent company of MedText, a Delaware  
Corporation, merged with PeopleSupport, Inc. ("PeopleSupport"), a  
Delaware Corporation; and

WHEREAS, following the merger PeopleSupport acquired the  
stock of RapidText and immediately transferred all stock to  
PeopleSupport; and

WHEREAS, PeopleSupport RapidText, Inc. ("PeopleSupport RapidText") is a wholly-owned subsidiary of PeopleSupport; and

WHEREAS, notwithstanding the transfer of stock ownership to PeopleSupport, PeopleSupport RapidText will continue to operate as a separate corporate entity, a wholly-owned corporate subsidiary of PeopleSupport; and

WHEREAS, the County is willing to approve of this Change of Ownership and Stock Purchase Transaction only if the acquiring parties agree to assume any and all liability for PeopleSupport RapidText; and

WHEREAS, the new name of RapidText is now PeopleSupport RapidText, Inc.; and

WHEREAS, Paragraph 31, DELEGATION AND ASSIGNMENT, of Agreement prohibits RapidText from selling or transferring ownership or majority control of RapidText without prior written consent of County's Board of Supervisors; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term of medical transcription services scheduled to expire on April 30, 2006, for fourteen (14) months through June 30, 2007, and make the changes described hereinafter.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon approval by the County of Los Angeles Board of Supervisors.

2. PeopleSupport RapidText, Inc., a subsidiary of PeopleSupport, Inc., will continue to directly perform all responsibilities under the agreement.

3. County hereby consents to such Change of Ownership and Stock Purchase Transaction and subsequent transfer of 100% ownership interest to PeopleSupport, effective retroactively to January 2006.

4. RapidText and PeopleSupport have heretofore separately prorated between themselves, to the extent necessary, any monthly payment due and paid under this Agreement prior to January 9, 2006.

5. Paragraph 1, TERM AND TERMINATION, of the body of this Agreement shall be deleted in its entirety and shall be replaced with the following:

"1. TERM AND TERMINATION: This Amendment extends the term of the Agreement for fourteen (14) months, beginning May 1, 2006 through June 30, 2007, under the same rate and provisions as set forth in the Agreement. The term of this Agreement may be extended by the Director of the Department of Health Services beyond the stated expiration date of June 30, 2007, on a month-to-month basis not to exceed three (3) months, through September 30, 2007, upon the written mutual agreement of the Director and Contractor. All provisions of the Agreement in effect on June 30, 2007, shall remain in

effect for the extension period. Contractor shall be compensated according to the same payment provisions and same rate(s) specified for the initial term of the Agreement. If Director and Contractor fail to mutually agree in writing to extend the Agreement term as of the expiration date of June 30, 2007, the Agreement shall expire on such date.

Notwithstanding any other provision of this Paragraph, the failure of Contractor or its officers, employees, or agents to comply with the terms of this Agreement or any directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereof and this Agreement maybe terminated immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time."

6. Paragraph 4, BILLING AND PAYMENT, shall be amended to change the reference to "Exhibit C-4, Payment" to read as "Exhibit C-5, Payment".

7. "Exhibit C-5, Payment", attached hereto and incorporated herein by reference, shall be added to this Agreement.

8. Paragraph 31, PROHIBITION AGAINST DELEGATION AND ASSIGNMENT, of the Agreement shall be replaced in its entirety with:

"31. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring

the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

9. Paragraph 59, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Agreement, shall be deleted and replaced in its entirety with the following:

"59. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's

policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern

or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.



F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only

where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors."

10. Paragraph 65, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to the Agreement as follows:

"65. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing,

during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

11. Paragraph 66, CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE, shall be added to the Agreement as follows:

"66. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the attached "Charitable Contributions Certification" form (Attachment G), the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202)."

12. Paragraph 67, PROHIBITION AGAINST INTERNATIONAL  
OUTSOURCING, shall be added to the Agreement as follows:

"67. PROHIBITION AGAINST INTERNATIONAL OUTSOURCING:

Contractor may not utilize the services of any transcriber  
or transcribing service who performs the service in a  
location other than the United States of America.

Outsourcing any services required under the terms of this  
Agreement to individuals or entities outside of the United  
States is strictly prohibited."

13. Except for the changes set forth hereinabove, Agreement  
shall not be changed in any other respect by this CONSENT TO  
CHANGE OF OWNERSHIP AND STOCK PURCHASE TRANSACTION.

IN WITNESS WHEREOF, the Board of Supervisors of the County  
of Los Angeles has caused this CONSENT TO CHANGE OF OWNERSHIP AND

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STOCK PURCHASE TRANSACTION to be subscribed by its Mayor and  
PeopleSupport RapidText, Inc. have caused this CONSENT TO CHANGE OF  
OWNERSHIP AND STOCK PURCHASE TRANSACTION to be subscribed in their  
behalf by their duly authorized officers, the day, month, and year  
first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

Executive Officer of  
the Board of  
Supervisors of the County  
of Los Angeles

PEOPLESUPPORT RAPIDTEXT, INC.  
Contractor

By \_\_\_\_\_  
Signature

By \_\_\_\_\_  
Deputy

\_\_\_\_\_  
Print Name  
Title \_\_\_\_\_  
(Affix Corporate Seal)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Deputy

PEOPLESUPPORT, INC.

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
Department of Health Services

By \_\_\_\_\_  
Signature

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants

\_\_\_\_\_  
Print Name  
Title \_\_\_\_\_  
(Affix Corporate Seal)

PAYMENT

Subject to the payment provisions of the body of this Agreement, County shall compensate Contractor hereunder as follows:

A. Transcribed Line Costs

Contractor shall bill County at the following fees per transcribed line for the period of May 1, 2006 through June 30, 2007:

<u>Rate per</u> <u>Transcribed line</u>	<u>Back-up</u> <u>Dictation System</u>
\$0.1700	\$0.1700

- B. Contractor shall submit to County on a monthly basis an itemized bill, indicating the total number of lines transcribed during the month immediately preceding the month in which the billing is submitted. The corresponding contract number should be stated on the bill. Billings shall be submitted to the Medical Center as follows:

County of Los Angeles  
Department of Health Services  
LAC+USC Healthcare Network  
1200 North State Street  
Los Angeles, California 90033  
Attention: Expenditure Management

- C. A transcribed line shall constitute any and all typed characters within a seven (7) inch margin, exclusive of pre-programmed lines: e.g., headers, footers, macros, not requiring character entries. All transcription shall be typed with a ten (10) pitch element.

## CHARITABLE CONTRIBUTIONS CERTIFICATION

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 Company Name

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 Address

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 Internal Revenue Service Employer Identification Number

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 California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

	CERTIFICATION	YES	NO
Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )	( )

OR

Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code Sections 12585-12586.	( )	( )	( )
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 Signature

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 Date

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 Name and Title (please type or print)